

Before You Complete the Applicable Iowa Capital Gain Deduction Form

The Iowa capital gain deduction is subject to review by the Iowa Department of Revenue. The Department will use this form to verify that the taxpayer(s) qualifies for the deduction. The Department may request additional information if needed.

This completed form must be included with the IA 1040 to support the Iowa capital gain deduction claimed.

Complete a separate IA 100B-100F for each distinct property sale, although multiple livestock sales can, in some instances, be reported on one IA 100A (see IA 100A instructions). You must complete the applicable form each year of a qualifying installment sale. You must complete the applicable form even if the gain was passed-through to you.

The sale of assets by a C corporation does not qualify for the Iowa capital gain deduction. However, the gain from a corporate liquidation under Internal Revenue Code (IRC) section 331 may qualify for the Iowa capital gain deduction.

For taxpayers filing separately on the same return, each spouse must complete the appropriate IA 100 for the Iowa capital gain deduction claimed based on the spouse's ownership share in the property.

For tax year 2016, each Iowa capital gain deduction must be reported on one of six forms:

- To claim a deduction for capital gains from the qualifying sale of **Cattle, Horses, or Breeding Livestock**, complete the [IA 100A](#).
- To claim a deduction for capital gains from the qualifying sale of **Real Property Used in a Farm Business**, complete the [IA 100B](#).
- To claim a deduction for capital gains from the qualifying sale of **Real Property Used in a Non-Farm Business**, complete the [IA 100C](#).
- To claim a deduction for capital gains from the qualifying sale of **Timber**, complete the [IA 100D](#).
- To claim a deduction for capital gains from the qualifying sale of a **Business**, complete the [IA 100E](#).
- To claim a deduction for capital gains from the qualifying sale of **Employer Securities to a Qualified Iowa Employee Stock Ownership Plan**, complete the [IA 100F](#).

Flowcharts to assist in determining if a capital gain qualifies are also available in the expanded instructions [online](#). For more information on the Iowa capital gain deduction, see the instructions for the respective form and [701 IAC 40.38](#).